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MBB ITEM

Sanctions Policy Towards Chile

The NSC staff has requested that you, Harold and Zbig review our sanctions policy towards Chile at this week's MBB. As you know, the sanctions were imposed in late 1979 as a result of the Letelier assassination and it was agreed at that time that they would be reviewed at the end of 1980.

You should say that we believe an overall review of our Chile policy would best be left to the new Administration. In the interim, should pressing issues arise in which an exception to our sanctions policy might be desirable, we can deal with these on an ad hoc basis.

Attached is the NSC 1979 memo outlining the sanctions approved by the President.

~~Department of State, A/GIS/IPS/SRP~~  
Change to \_\_\_\_\_  
(☒ Release) (☐ Exercise) (☐ Deny) (☐ Declassify)  
Exemptions b ( ) ( ) E.O. 13526 25x ( ) ( )  
Declassify after \_\_\_\_\_  
With concurrence of: \_\_\_\_\_  
IPS by OR obtained \_\_\_\_\_ Date 12-15-86 not obt

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## MEMORANDUM

Department of State, A/GIS/IPS/CP

Change to

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Exemptions b ( ) ( ) E.O. 13526 25x ( ) ( )

Declassify after

With concurrence of:

IPS by W Date 12-15-80

November 27, 1979

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## MEMORANDUM FOR:

Dist to:

THE SECRETARY OF STATE

ARA (Action)

S SUBJECT:

Letelier/Moffitt Case and U.S. Policy  
to Chile (S)

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E

T The President has reviewed your memorandum of October 19,  
M 1979, on the Letelier/Moffitt case. On the basis of your  
S/P assessment that the overwhelming body of evidence makes it  
M/D likely that charges would be upheld that high-ranking  
D/CB officials of the Chilean government were responsible for the  
M/M assassination of Orlando Letelier and Roni Moffitt, and on  
EB the basis of your judgment that the Government of Chile made  
H no serious effort to investigate or prosecute this crime,  
HA the President determined that we should take the following  
L actions which would constitute a strong reaffirmation of our  
PM determination to resist international terrorism and a deter-  
OP ment to those who might be tempted to commit similar acts  
S/S within our borders: (S)

S/S-S

TMA

1. Diplomatic Steps. State Department should meet with  
RF Chilean officials to reiterate our views that the Government  
(LEB) of Chile's failure to investigate this crime is unacceptable,  
and to explain the actions we are taking. The size of our  
Mission in Chile should be reduced as a concrete indication of  
our displeasure. This reduction should include personnel from  
the State Department and other agencies. (S)

2. FMS Pipeline. The FMS pipeline should be terminated  
in an orderly fashion by January 1, 1980. The State Department  
should minimize any termination costs that might require a  
Congressional appropriation. (S)

3. MilGroup. As the FMS pipeline is reduced, the MilGroup  
should be phased down to two officials. At the time of termina-  
tion of the pipeline, the State Department should then assess  
whether the other two officials in the MilGroup should remain  
in Chile, and should submit a recommendation to the National  
Security Council at that time. (S)

4. EX-IM Financing. The President has determined that  
EX-IM financing to Chile should be denied because it is "in the  
national interest" and would "clearly and importantly advance  
U.S. policy in such areas as international terrorism." That  
Presidential determination will be published in the Federal  
Register soon. (S)

Zbigniew Brzezinski

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5. Export Licenses. State and Commerce Departments should continue to hold applications for licenses to export items to Chile for the use of the Chilean Armed Forces. Applications for new licenses should be carefully reviewed as they are presented.

6. OPIC. OPIC should not approve any further guarantees or undertake any new activities in Chile. (S)

7. Statement. The State Department should prepare a statement and submit it to the National Security Council for approval by noon, November 29, 1979. The statement should reiterate our grave concern and deep disappointment at the Chile Government's actions, including in particular its failure to investigate the crime, and outline the actions we are taking. The statement should be a clear and strong assessment of what we are doing. (S)

*Zbigniew Brzezinski*

Zbigniew Brzezinski

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